

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA

In Re:	)	
	)	Case No. 22-00744
Debtor: Property Holders, LTD	)	Chapter 11 Subchapter V
	)	
	)	
	)	
Debtor and Debtor-in-Possession.	)	SUBCHAPTER V TRUSTEE
	)	Monthly Report on Plan Progress for
		February 2024

I. Summary:

- a. The Debtors monthly report has not yet been filed.
- b. 1713 7th Ave SE is back on the market. The sale scheduled to close in March fell through because the property did not appraise.
- c. 1841 Washington Ave SE is scheduled to close in March, but the sale could be in jeopardy because waterproofing work was not performed by the contractor that was agreed upon by the buyer and seller.
- d. There are currently no other properties listed and available for sale.
- e. Rental Business:
  - i. Rental income for February is approximately \$12,350. This continues to be concerning. The rental income is not sufficient to cashflow the properties.
  - ii. I am still skeptical of the month-to-month rental model.
  - iii. The rental projections given by the debtor are optimistic and will need to be substantiated.
- f. The February bank statement shows items purchased that are not business related. (Planet Fitness, YouTube TV, Prime Video)
  - i. Although these items are not of great monetary significance, it does show a lack of business controls.
  - ii. I have cautioned the debtor on this in prior months.
- g. Real estate taxes were due in September and are now also due for March. The debtor has stated all taxes have been paid. (per email dated 2/7/24) I asked the Debtor to confirm the property taxes due last month, I have not had a verified answer. The bank has a listing of taxes due totaling \$56,766.

- h. Rental income continues to be less than projected and the properties needing rehabilitation to include in the rental pool are not moving forward. The sales market is improving but is not robust. The spring sale market is starting, and houses are not listed. This will be a missed opportunity for the sale of the properties needed to fund the loan payoffs. The debtor will need to address the rental business plan and the properties that need to be sold to move to a viable business model.

Date: 3/10/2024

/s/ Douglas D. Flugum

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Sub Chapter V Trustee